

FINANCE COMMITTEE REPORT

September 8, 2016

A Finance Committee meeting was held Thursday, September 8, 2016 at 6:00 p.m. in the Quorum Court Meeting Room, Benton County Administration Building, Third Floor, 215 East Central, Bentonville, Arkansas.

Committee Members Present: JP Allen, JP Sheridan, JP Jones, JP Chiocco,
JP Slinkard, JP Moore, JP Moehring

Others Present: JP J. Harrison, JP Anglin, JP Leadabrand, County Judge Bob Clinard, Assessor-Elect Rod Grieve, Administrator of General Services John Sudduth, Comptroller Brenda Guenther, County Attorney George Spence, Human Resources Manager Barbara Ludwig, Teresa Sidwell, Wendy Cravens

Media: Tom Sissom – Northwest Arkansas Democrat-Gazette.

Committee Chair JP Allen called the meeting to order at 6:00 p.m.

JP Allen asked everyone to stand for a moment of silence for the late Sheriff Andy Lee and his family.

County Attorney George Spence addressed the issue of a dismissed county employee.

Public Comments:

None

Discussion:

County Convenience Centers

Administrator of General Services John Sudduth stated the pilot programs have been a huge success and he would like to continue with these programs. He said he would like to add an additional site in Bella Vista, but we will have to add a little more money.

Teresa Sidwell distributed handouts on the progress of their pilot programs. She stated that currently they have three sites – the Transfer Station on Arkansas Street, the Rogers Recycling Center in Rogers, and the Solid Waste District in Centerton. Teresa Sidwell stated that they want to make some changes that they think will help. We would like to propose the idea of adding a re-use program, which would help with what is going into the dumpster and what is building up in the landfills. Along with this, they would also like to look into purchasing, renting, or borrowing

some kind of heavy equipment to pack down the heavy objects. Teresa Sidwell stated, we have talked about possibly changing the limit of bulky items to 4 items per dump as well as having to provide a driver's license to show they are a Benton County resident. In addition, they would like to share plans to move the Rogers site to the Transfer Station. Teresa Sidwell said they have been talking to the AARP Recycling Center in Bella Vista and they are excited about there being a possible site at this location. She stated with the data we have collected, 13% of the people who come to the center are from Bella Vista or small cities surrounding it. She said the new site would add a little over \$29,000 to their budget. She stated that they are going to try to save some money by cutting costs on advertising by half.

JP Allen stated that one thing to be careful of is cutting on advertisement too much, because he has seen some businesses who think they are doing great and cut on advertisement, and then the business goes down.

Wendy Cravens stated that the Solid Waste District would not be cutting the amount they spend on advertising; only the county's amount would be reduced. She pointed out that everyday someone new comes to us saying that they just found out about the centers.

John Sudduth stated that we were asked to try to reach out and get some free advertisements for the sites, and they have just partnered with KURM radio and will be guest speakers to advertise the different sites.

JP Anglin asked what the issues are with the bulky items that make you want to limit to only 4 pieces.

Teresa Sidwell stated that they are having a lot left at one time, which makes the cost go up for us. She said if they have a re-use program, it would cut back the cost a lot.

JP Anglin commented this could be an issue because for example, there is a house fire and we load up the trailer with heavy items and bring them to the site. The intent is for us to get rid of the bulky items, if you limit the number of items, people might just throw it out on the side of the road. She stated that they could be flexible, and maybe not make a rule that may not always fit.

JP Moore suggested possibly having a surcharge for any additional bulky items brought in. He asked how the re-use program would work

Wendy Cravens stated that one employee would work solely on the re-use program, who would check in the customers and see if any of the items could be salvaged. The pilot program would be at the Centerton location.

Teresa Sidwell stated another possible way to save money is to give a coupon if you bring something in that is reusable; this might be an incentive to bring in items to be reused.

JP Jones pointed out they have spent \$40,000 as of the end of June, and the total budget is \$66,000, do they believe they will go over that amount?

Teresa Sidwell stated that she is almost certain they will go over, by possibly \$10,000, it depends on how slow the winter months are.

JP Allen stated that he is a big fan of what you all have done, and would like to open it for discussion to move this before the budget committee with the added Bella Vista site.

JP Moehring made motion to forward to the Budget Committee, seconded by JP Jones.

Motion passed by unanimous show of hands vote.

Health Fund Update

Human Resource Manager Barbara Ludwig reported that employees have lost a total of 1,533 lbs. overall this year – 49 people have lost 10lbs., 17 people have lost 20lbs., and 158 people have maintained their weight. When looking at chronic risk factors, 63 people have eliminated at least one of their risk factors, 155 people stayed the same, and 27 have lost at least some of their risk. When looking at hypertension, 62 people have had a cholesterol change, 30 people came down out of high cholesterol, and 110 people improved their blood pressure by at least one factor, and for those who are smokers, we had a 3.4% reduction.

Barbara Ludwig reported that this information is turned in to a company named Bravo, and this company picks a population who mirrors ours, and they come up with the average percentages. According to Bravo, it states the overall health average should be 39.5% while we are at 49.10%. When looking at hypertension, Bravo states we should be at 8.9% while we are at 16.10%. Bravo states that nicotine should be at 20.7% while we are at 25.5%. Bravo states those with diabetes should average 6.3%, while we are at 8.2%. Barbara Ludwig stated that we have improved on this one since last year. When looking at the budget, we are headed in a negative direction. Barbara Ludwig stated that pharmaceuticals have been the reason for most of the costs. She said we have talked about implementing a STEP program, where the person has to start out on the generic brand, and if it doesn't work, go to the next step.

JP Jones stated with the rebates, we could initiate something where the people bring it in and are reimbursed for the co-pay and they go get the generic.

Barbara Ludwig stated that this is an interesting thought but it wouldn't be able to work for a while because of the STEP program they are trying to implement.

JP Moore asked if they had possibly looked at lowering the co-insurance.

Barbara Ludwig stated that lowering it from \$175 would not have much effect.

JP Allen stated this should be brought to the budget meeting to be reviewed.

Salary Survey Update

Human Resources Manager Barbara Ludwig reported that they are looking at positions that are out of alignment, and trying to adjust them every two years to get them to the correct pay. Most of the Elected Officials are trying to see if there is a program that can be set up to help with this issue, because we show 40% of our employees are below 90% of their range.

JP Moore commented that they need to have a way to move up through the range.

JP Leadabrand asked if the hourly workers' pay changes every year.

Barbara Ludwig stated it has every 3 years, and that they will present a plan that may not change ranges every year but up to midpoint, and once there, they would only change for merit.

JP Allen asked for an update on the program for the elected officials and the Quorum Court members getting raises.

Barbara Ludwig stated that it has not been forgotten and is being discussed.

Fund Summary:

2016 through 8-31-2016

Comptroller Brenda Guenther reported that Personnel had a target of 63.5% and right now, they are at 61.9%. She stated the budget is at an overall target of 66.71% and right now, everyone is at 61.5%, so everyone is still within budget. Brenda Guenther stated there are three or four departments that are going over because of Workmen's Comp., but that she is not concerned about them.

2016 vs. 2015 Comparison through 08-31-2016

Comptroller Brenda Guenther reported that this year \$19,000 less was spent compared to last year, while this year more was spent in the Capital Projects than last year. In Capital Projects, we budgeted 3% more, but we are only up 2% at this time. Brenda Guenther stated that we have spent \$3.1 million more this year, but \$2.1 million of that is for the Capital Projects.

Monthly Reports:

Overtime & Premium Pay Analysis

Comptroller Brenda Guenther reported that the Personnel category has a target of 65.38%. Prisoner transport can be a problem because of the charges in jail transportation not being paid back quickly enough from the State.

JP Jones asked if the jail transport is coming from the Sheriff's department.

Brenda Guenther stated that it does, and that their overtime is at \$17,000, versus \$29,000 last year at this time.

Brenda Guenther stated that the Road Department would be doing some overtime, going from 4-10's to 5-10's.

JP Jones asked if they had the budget to be doing overtime.

JP Moehring commented that their target is planned for 50 miles paved by the end of the year but at this time, the road department only has 11 miles done.

Brenda Guenther stated they have budgeted \$75,000 and right now, they are only at \$33,000 of their budget for the year.

JP Slinkard asked if they received a road department report.

JP Allen stated we are supposed to, by ordinance, get a report, but have not received one yet and he would like to start seeing those reports soon.

JP Leadabrand asked if the War Eagle bridge forms had been signed.

Brenda Guenther stated that they have been signed, but we are waiting for the construction and they stated a week ago that we could probably hear from them in 5-10 days, so we are close.

Fuel Analysis

Comptroller Brenda Guenther reported that unleaded gas has gone down from last month, leaving us at \$154,000 in the Jail Fund, and \$354,000 in the Road Department. We are at 53% in the Jail and Sheriff's Department, and 37% in the Road Department for fuel costs. Diesel went up from last month at \$27,000. Last year the actual use was 63% to 69% compared to the use this year at 40% to 70% used.

Sales Tax Numbers

Comptroller Brenda Guenther reported this month sales tax is down \$15,000 compared to last year.

Jail Collections

Comptroller Brenda Guenther reported that we are still waiting on the State to pay back for transportation to the jail. She stated that we had a great month in April because we were being paid back, but the month of August was not as good.

Convenience Center Data

Comptroller Brenda Guenther reported that after looking at all the data, she thinks the budget will be fine.

Teresa Sidwell reported that they may fall short in waste disposal, but will report to the committee when that happens.

Grants Administrator Report

Comptroller Brenda Guenther reported that we have been awarded the Active Grant, the Step Grant, the Spanker Creek Grant, and the Edward Byrne Justice Grant. She stated that we were awarded additional money from the Spanker Creek Grant, and the Edward Byrne Justice grant will be used to buy tablets for the Sheriff's department. There has been a Waste Grant submitted and we are waiting to hear back on this one.

JP Jones moved to amend the resolution adopted in 2015 authorizing application for the Spanker Creek grant to allow for the additional funds, and to approve application for the 2017 Step Grant, seconded by JP Slinkard

Motion passed by unanimous show of hands vote.

Ordinance Requests:

1. Sheriff Aviation – Transfer Appropriation

JP Moehring made motion to forward to the September 13, 2016 Committee of the Whole agenda, seconded by JP Slinkard

Motion passed by unanimous show of hands vote.

2. Sheriff – Transfer Appropriation

JP Slinkard made motion to forward to the September 13, 2016 Committee of the Whole agenda, seconded by JP Jones.

Motion passed by unanimous show of hands vote.

3. Siloam Springs Childcare Grant – Appropriation

JP Moehring made motion to forward to the September 13, 2016 Committee of the Whole agenda, seconded by JP Jones.

Motion passed by unanimous show of hands vote.

4. Spanker Creek Grant – Appropriation

JP Jones made motion to forward to the September 13, 2016 Committee of the Whole agenda, seconded by JP Chiocco.

Motion passed by unanimous show of hands vote.

5. Jail HVAC/ Air Purification Appropriation

JP Chiocco made motion to forward to the September 13, 2016 Committee of the Whole agenda, Seconded by JP Jones.

Motion passed by unanimous show of hands vote.

Other Business:

Calendars –Budget Meeting Schedule

Sept. 13 – Committee of the Whole at 6:00 p.m.

Sept. 22 – Quorum Court at 6:00 p.m.

Sept. 26 – Preliminary Budget Meeting at 5:00 p.m.

Oct. 6 – Finance and Personnel – Finance will start at 4:30 p.m. followed by Personnel

Oct. 17 – Budget Meeting at 5:00 p.m.

Oct. 18 – Budget Meeting at 5:00 p.m.

Oct. 24 – Budget Meeting at 5:00 p.m.

JP Allen declared the meeting adjourned at 8:05 p.m.